



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: April 25, 2017

TO: Mayor and Councilmembers

FROM: Treasury Division, Finance Department

SUBJECT: March 31, 2017, Investment Report And March 31, 2017, Fiscal Agent Report

RECOMMENDATION: That Council:

- A. Accept the March 31, 2017, Investment Report; and
- B. Accept the March 31, 2017, Fiscal Agent Report.

DISCUSSION:

On a quarterly basis, staff submits a comprehensive report on the City's portfolio and related activity pursuant to the City's Annual Statement of Investment Policy. The current report covers investment activity for the three-month period of January through March 2017.

Most Treasury yields were slightly higher by the end of the quarter. As shown in the table to the right, the change in Treasury yields ranged from a decrease of 5 basis points on the 10-year Treasury note to an increase of 29 basis points on the 6-month Treasury note. Maturities ranging from 3 months to

U.S. Treasury Market					
	12/31/2016	1/31/2017	2/28/2017	3/31/2017	Cumulative Change
3 Month	0.51%	0.52%	0.53%	0.76%	0.25%
6 Month	0.62%	0.64%	0.69%	0.91%	0.29%
1 Year	0.85%	0.84%	0.88%	1.03%	0.18%
2 Year	1.20%	1.19%	1.22%	1.27%	0.07%
3 Year	1.47%	1.46%	1.49%	1.50%	0.03%
4 Year	1.70%	1.68%	1.69%	1.72%	0.02%
5 Year	1.93%	1.90%	1.89%	1.93%	0.00%
10 Year	2.45%	2.45%	2.36%	2.40%	-0.05%
30 Year	3.06%	3.05%	2.97%	3.02%	-0.04%
LAIF	0.68%	0.78%	0.78%	0.78%	0.10%

4 years saw modest increases, while the 10-year and 30-year slightly decreased in Treasury yield. The 5-Year note had no cumulative change over the quarter.

The City generally invests in securities of one to five years in duration. Within this duration, interest rates ranged from 1.03% to 1.93% for Treasury securities at the end of the quarter. The Federal Reserve has been signaling its desire to raise the Federal Funds rate for some time, which in turn influences Treasury yields. At the December

2015 meeting, the Federal Reserve increased the Federal Funds rate for the first time in seven years. Since then, the Federal Reserve has raised rates by .25% twice, in December 2016 and again in March 2017. Even with this higher Federal Funds rate and a corresponding rise in Treasury yields over the past six months, it will take several years before the City realizes a material increase in interest earnings, as existing securities mature and are replaced with higher-yielding securities.

Investment Activity

As shown in the Investment Activity table below, the City invested \$20 million during the quarter. The purchases consisted of \$14 million in “AAA” rated Federal Agency callable securities (identified by a call date), \$2 million in Federal Agricultural Mortgage Corporation callable securities (identified by a call date), \$2 million in “AAA” rated Federal Agency bullet securities, and \$2 million in United States Treasury bullet Notes. The purchases replaced \$2 million in Federal Agency securities that were called, and \$2 million in United States Treasury Notes that matured over the quarter.

Issuer	Face Amount	Purchase Date	Final Maturity	Call Date	Yield To Call	Yield To Maturity
<i>Purchases:</i>						
Federal Agricultural Mortgage Corp (FAMCA)	\$ 2,000,000	01/17/17	01/17/20	01/17/18	1.675%	1.675%
Federal Home Loan Mortgage Corp (FHLMC)	2,000,000	01/17/17	01/17/20	-	-	1.500%
Federal Home Loan Mortgage Corp (FHLMC)	2,000,000	01/26/17	01/26/22	01/26/18	2.200%	2.200%
United States Treasury Note (USTN)	2,000,000	02/01/17	08/31/20	-	-	1.610%
Federal Home Loan Mortgage Corp (FHLMC)	2,000,000	02/17/17	02/17/22	05/17/17	2.250%	2.418%
Federal Home Loan Mortgage Corp (FHLMC)	2,000,000	02/27/17	11/27/20	11/27/17	1.851%	1.850%
Federal Home Loan Mortgage Corp (FHLMC)	2,000,000	02/28/17	02/25/19	08/25/17	1.400%	1.400%
Federal Home Loan Mortgage Corp (FHLMC)	2,000,000	02/28/17	02/25/22	05/25/17	2.375%	2.375%
Federal Home Loan Mortgage Corp (FHLMC)	2,000,000	03/16/17	09/16/21	03/16/18	2.000%	2.000%
Federal Home Loan Mortgage Corp (FHLMC)	2,000,000	03/29/17	03/29/21	03/29/18	2.000%	2.000%
	\$ 20,000,000					
<i>Calls:</i>						
Federal Home Loan Bank (FHLB)	\$ 2,000,000	01/26/16	04/26/19	01/26/17	1.500%	1.500%
	\$ 2,000,000					
<i>Sales/Maturities:</i>						
United States Treasury Note (USTN)	\$ 2,000,000	02/22/13	02/28/17	-	-	0.607%
	\$ 2,000,000					

Summary of Cash and Investments

The book rate of return, or portfolio yield, measures the rate of return of actual earnings generated from the portfolio. As shown in the table to the right, during the quarter the City’s book rate of return increased by 16.1 basis points from 1.176 percent at December 31, 2016 to 1.337 percent at March 31, 2017.

Mo. Ended	Yield	Days to Maturity
12/31/2016	1.176%	575
1/31/2017	1.139%	528
2/28/2017	1.294%	641
3/31/2017	1.337%	669

The portfolio’s average days to maturity, including the long-term Airport promissory note, increased by 94 days from 575 to 669 days. Excluding the Airport note, the portfolio’s average days to maturity is 562 days, reflecting reinvestment of maturities and calls during the quarter in the one-to-five year range in accordance with the City’s Annual Statement of Investment Policy. The Annual Statement of Investment Policy

requires that the average days to maturity on the portfolio not exceed 2.5 years, excluding any investments with a final maturity longer than 5 years that were separately authorized by Council, such as the Airport promissory note.

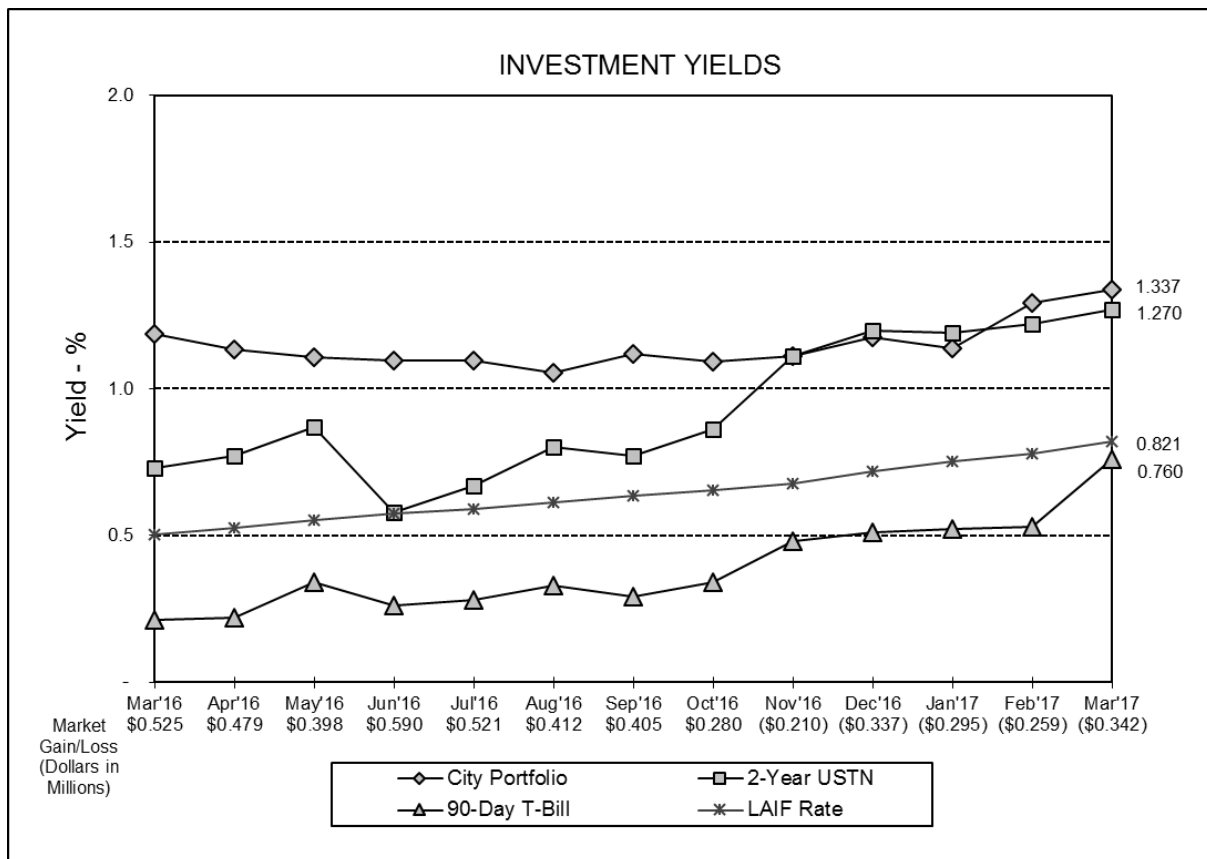
The average LAIF rate at which the City earned interest for funds invested was at 0.78 percent for the quarter ended March 31, 2017; an increase of 10 basis points from the previous quarter. The City's LAIF holdings at the end of the quarter were \$53 million. Staff expects to reinvest a portion of the LAIF balances in fixed-term or callable securities during the next quarter.

Credit Quality on Corporate Notes

There were no credit quality changes to the four corporate issuers of the medium-term notes held in the portfolio (i.e., Berkshire Hathaway, Inc., General Electric Capital Corp, Toyota Motor Credit, and Wells Fargo Bank, NA), and the ratings of all corporate notes remain within the City's Investment Policy guidelines of "A" or better.

Portfolio Market Gains/Losses

As shown in the Investment Yields chart below, the City's portfolio rate dipped slightly below the 2-year Treasury note rate in December 2016 and January 2017. By March 31, 2017, the City portfolio rate moved back in line with the 2-year Treasury note rate and exceeded all three benchmark measures (the 90-day T-Bill, 2-year T-Note and



LAIF). These benchmarks serve as indicators of the City's performance. Trends over time that substantially deviate from these benchmarks would warrant further analysis and review. At March 31, 2017, the portfolio had an overall unrealized market loss of approximately \$342,000.

On a quarterly basis, staff reports the five securities with the largest percentage of unrealized losses. However, because securities in the City's portfolio are held to maturity, no market losses would be realized.

Issuer	Face Amount	Maturity	\$ Mkt Change	% Mkt Change
FEDERAL NATL MORTGAGE ASSN	\$2,000,000	08/16/21	-\$69,740	-3.49%
FEDERAL HOME LOAN MTG CORP	\$2,000,000	10/27/21	-\$52,800	-2.64%
FEDERAL NATL MORTGAGE ASSN	\$2,000,000	09/29/21	-\$52,200	-2.61%
FEDERAL HOME LOAN BANK	\$2,000,000	10/12/21	-\$47,800	-2.39%
FEDERAL HOME LOAN BANK	\$2,000,000	11/23/21	-\$41,540	-2.08%

On a quarterly basis, staff also reports all securities with monthly market declines of greater than 1 percent compared to the prior month. At the end of the quarter there were no securities in the portfolio with a market decline of greater than 1 percent compared to the prior month.

Additional Reporting Requirements

The following confirmations are made pursuant to California Code Sections 53600 et seq.: (1) the City's portfolio as of March 31, 2017, is in compliance with the City's Statement of Investment Policy; and (2) there are sufficient funds available to meet the City's expenditure requirements for the next six months.

Fiscal Agent Investments

In addition to reporting requirements for public agency portfolios, a description of any of the agency's investments under the management of contracted parties is also required on a quarterly basis. Attachment 2 includes bond funds and the police and fire service retirement fund as of March 31, 2017.

ATTACHMENTS: 1. March 31, 2017, Investment Report
 2. March 31, 2017, Fiscal Agent Report

PREPARED BY: Julie Nemes, Treasury Manager

SUBMITTED BY: Robert Samario, Finance Director

APPROVED BY: City Administrator's Office

CITY OF SANTA BARBARA
Activity and Interest Report
 March 31, 2017

INVESTMENT ACTIVITY

PURCHASES OR DEPOSITS

3/16 Federal Home Loan Mortgage Corp (FHLMC)	\$ 2,000,000
3/29 Federal Home Loan Mortgage Corp (FHLMC)	<u>2,000,000</u>
Total	\$ 4,000,000

SALES, MATURITIES, CALLS OR WITHDRAWALS

3/3 LAIF Withdrawal - City	\$ (5,000,000)
3/15 LAIF Withdrawal - City	<u>(5,000,000)</u>
Total	\$ (10,000,000)

ACTIVITY TOTAL

\$ (6,000,000)

INVESTMENT INCOME

POOLED INVESTMENTS

Interest Earned on Investments	\$ 179,701
Amortization	<u>(362)</u>
Total	\$ 179,339

INCOME TOTAL

\$ 179,339

CITY OF SANTA BARBARA
Summary of Cash and Investments
March 31, 2017

ENDING BALANCE AS OF FEBRUARY 28, 2017

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
MUFG Union Bank NA Checking Account	\$ 11,652,138	0.400%	6.80%	1
State of California LAIF	63,000,000	0.777%	36.78%	1
Certificates of Deposit	7,000,000	1.644%	4.09%	460
Treasury Securities	1,984,098	1.610%	1.16%	1,279
Federal Agency Issues - Coupon	73,001,602	1.618%	42.62%	1,051
Corporate/Medium Term Notes	10,025,846	1.578%	5.85%	631
	166,663,684	1.214%	97.30%	533
SB Airport Promissory Note	4,628,681	4.195%	2.70%	4,504
Totals and Averages	\$ 171,292,365	1.294%	100.00%	641
Total Cash and Investments	\$ 171,292,365			

NET CASH AND INVESTMENT ACTIVITY FOR MARCH 2017 **\$ (2,514,506)**

ENDING BALANCE AS OF MARCH 31, 2017

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
MUFG Union Bank NA Checking Account	\$ 15,137,994	0.400%	8.97%	1 (1)
State of California LAIF	53,000,000	0.821%	31.40%	1 (2)
Certificates of Deposit	7,000,000	1.644%	4.15%	429
Treasury Securities	1,984,484	1.610%	1.18%	1,248
Federal Agency Issues - Coupon	77,001,922	1.638%	45.62%	1,047
Corporate/Medium Term Notes	10,024,778	1.578%	5.94%	600
	164,149,177	1.256%	97.26%	562
SB Airport Promissory Note	4,628,681	4.195%	2.74%	4,473
Totals and Averages	\$ 168,777,859	1.337%	100.00%	669
Total Cash and Investments	\$ 168,777,859			

Note: (1) Interest earnings allowance is provided at the rate of 0.400% by MUFG Union Bank, N.A. to help offset banking fees.

(2) The average life of the LAIF portfolio as of March 31, 2017 is 180 days.

CITY OF SANTA BARBARA

Investment Portfolio

March 31, 2017

DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY RATING MOODY'S	S & P	STATED RATE	YIELD AT 365	FACE VALUE	BOOK VALUE	MARKET VALUE	BOOK GAIN/(LOSS)	COMMENTS
LOCAL AGENCY INVESTMENT FUNDS											
LOCAL AGENCY INVESTMENT FUND	-	-	-	-	0.821	0.821	53,000,000.00	53,000,000.00	53,000,000.00	0.00	
Subtotal, LAIF							53,000,000.00	53,000,000.00	53,000,000.00	0.00	
CERTIFICATES OF DEPOSIT											
ALLY BANK	09/24/15	09/25/17	-	-	1.250	1.250	250,000.00	250,000.00	250,457.50	457.50	FDIC Certificate 57803
AMERICAN EXPRESS BANK FSB	10/23/14	10/23/19	-	-	2.200	2.200	250,000.00	250,000.00	252,622.50	2,622.50	FDIC Certificate 35328
AMERICAN EXPRESS CENTURION BK	09/30/15	09/30/20	-	-	2.250	2.250	250,000.00	250,000.00	253,402.50	3,402.50	FDIC Certificate 27471
BMO HARRIS BANK NA	09/30/15	09/29/17	-	-	1.100	1.100	250,000.00	250,000.00	250,452.50	452.50	FDIC Certificate 16571
BMW BK NORTH AMERICA	09/30/15	09/30/20	-	-	2.200	2.200	250,000.00	250,000.00	253,407.50	3,407.50	FDIC Certificate 35141
CAPITAL ONE BANK USA NA	10/29/14	10/29/19	-	-	1.900	1.900	250,000.00	250,000.00	252,632.50	2,632.50	FDIC Certificate 33954
CAPITAL ONE NA	09/30/15	09/30/20	-	-	2.250	2.250	250,000.00	250,000.00	253,402.50	3,402.50	FDIC Certificate 4297
DISCOVER BANK	09/30/15	09/30/20	-	-	2.300	2.300	250,000.00	250,000.00	253,825.00	3,825.00	FDIC Certificate 5649
EVERBANK	09/30/15	09/29/17	-	-	1.100	1.100	250,000.00	250,000.00	250,340.00	340.00	FDIC Certificate 34775
GE CAPITAL BANK	10/17/14	10/17/19	-	-	2.000	2.000	250,000.00	250,000.00	252,572.50	2,572.50	FDIC Certificate 33778
GOLDMAN SACHS BANK USA	10/29/14	10/29/19	-	-	2.150	2.150	250,000.00	250,000.00	252,622.50	2,622.50	FDIC Certificate 33124
KEY BANK NA	09/30/15	10/02/17	-	-	1.150	1.150	250,000.00	250,000.00	250,467.50	467.50	FDIC Certificate 17534
UNION BANK	08/31/12	08/31/17	-	-	1.490	1.511	4,000,000.00	4,000,000.00	4,000,000.00	0.00	
Subtotal, Certificates of deposit							7,000,000.00	7,000,000.00	7,026,205.00	26,205.00	
TREASURY SECURITIES - COUPON											
U S TREASURY NOTE	02/01/17	08/31/20	Aaa	AA+	1.375	1.610	2,000,000.00	1,984,483.55	1,981,480.00	(3,003.55)	
Subtotal, Treasury Securities							2,000,000.00	1,984,483.55	1,981,480.00	(3,003.55)	
FEDERAL AGENCY ISSUES - COUPON											
FED AGRICULTURAL MTG CORP	10/03/13	10/03/18	-	-	1.720	1.720	2,000,000.00	2,000,000.00	2,013,980.00	13,980.00	
FED AGRICULTURAL MTG CORP	12/12/13	12/12/18	-	-	1.705	1.705	2,000,000.00	2,000,000.00	2,014,940.00	14,940.00	
FED AGRICULTURAL MTG CORP	01/17/17	01/17/20	-	-	1.675	1.675	2,000,000.00	2,000,000.00	1,997,580.00	(2,420.00)	Callable 01/17/18, then semi annual
FED AGRICULTURAL MTG CORP	12/29/16	01/15/21	-	-	2.000	2.000	2,000,000.00	2,000,000.00	2,008,060.00	8,060.00	
FEDERAL FARM CREDIT BANK	09/18/13	09/18/17	Aaa	AA+	1.550	1.550	2,000,000.00	2,000,000.00	2,006,960.00	6,960.00	
FEDERAL FARM CREDIT BANK	07/17/13	07/17/17	Aaa	AA+	1.300	1.300	2,000,000.00	2,000,000.00	2,002,360.00	2,360.00	
FEDERAL FARM CREDIT BANK	06/24/15	06/24/19	Aaa	AA+	1.520	1.520	2,000,000.00	2,000,000.00	2,006,160.00	6,160.00	
FEDERAL FARM CREDIT BANK	12/12/16	12/12/19	Aaa	AA+	1.450	1.450	2,000,000.00	2,000,000.00	1,996,740.00	(3,260.00)	
FEDERAL HOME LOAN BANK	09/13/13	09/14/18	Aaa	AA+	2.000	1.910	2,000,000.00	2,002,479.97	2,022,140.00	19,660.03	
FEDERAL HOME LOAN BANK	01/17/14	04/17/18	Aaa	AA+	1.480	1.480	2,000,000.00	2,000,000.00	2,003,720.00	3,720.00	
FEDERAL HOME LOAN BANK	10/12/16	10/12/21	Aaa	AA+	1.700	1.700	2,000,000.00	2,000,000.00	1,952,200.00	(47,800.00)	Callable 04/12/17, then qtrly
FEDERAL HOME LOAN BANK	11/23/16	11/23/21	Aaa	AA+	1.650	1.650	2,000,000.00	2,000,000.00	1,958,460.00	(41,540.00)	Callable 05/23/17, then qtrly
FEDERAL HOME LOAN BANK	12/28/16	12/28/21	Aaa	AA+	1.625	2.351	2,000,000.00	2,000,000.00	1,997,860.00	(2,140.00)	SU 1.625%-3.75%, Call 06/28/17, then qtrly
FEDERAL HOME LOAN BANK	12/16/13	12/14/18	Aaa	AA+	1.750	1.650	2,000,000.00	2,003,252.51	2,016,740.00	13,487.49	
FEDERAL HOME LOAN BANK	06/18/14	06/09/17	Aaa	AA+	1.000	1.003	2,000,000.00	1,999,987.30	2,000,560.00	572.70	
FEDERAL HOME LOAN BANK	11/22/16	11/22/21	Aaa	AA+	1.750	1.750	2,000,000.00	2,000,000.00	1,976,240.00	(23,760.00)	
FEDERAL HOME LOAN BANK	12/15/16	06/15/20	Aaa	AA+	1.500	1.500	2,000,000.00	2,000,000.00	1,981,860.00	(18,140.00)	Callable 12/15/17, once
FEDERAL HOME LOAN MTG CORP	12/30/16	12/30/21	Aaa	AA+	2.050	2.050	2,000,000.00	2,000,000.00	1,988,380.00	(11,620.00)	Callable 06/30/17, then qtrly
FEDERAL HOME LOAN MTG CORP	01/17/17	01/17/20	Aaa	AA+	1.500	1.500	2,000,000.00	2,000,000.00	1,996,820.00	(3,180.00)	
FEDERAL HOME LOAN MTG CORP	02/28/17	02/25/19	Aaa	AA+	1.400	1.400	2,000,000.00	2,000,000.00	1,998,580.00	(1,420.00)	Callable 08/25/17, then qtrly

CITY OF SANTA BARBARA

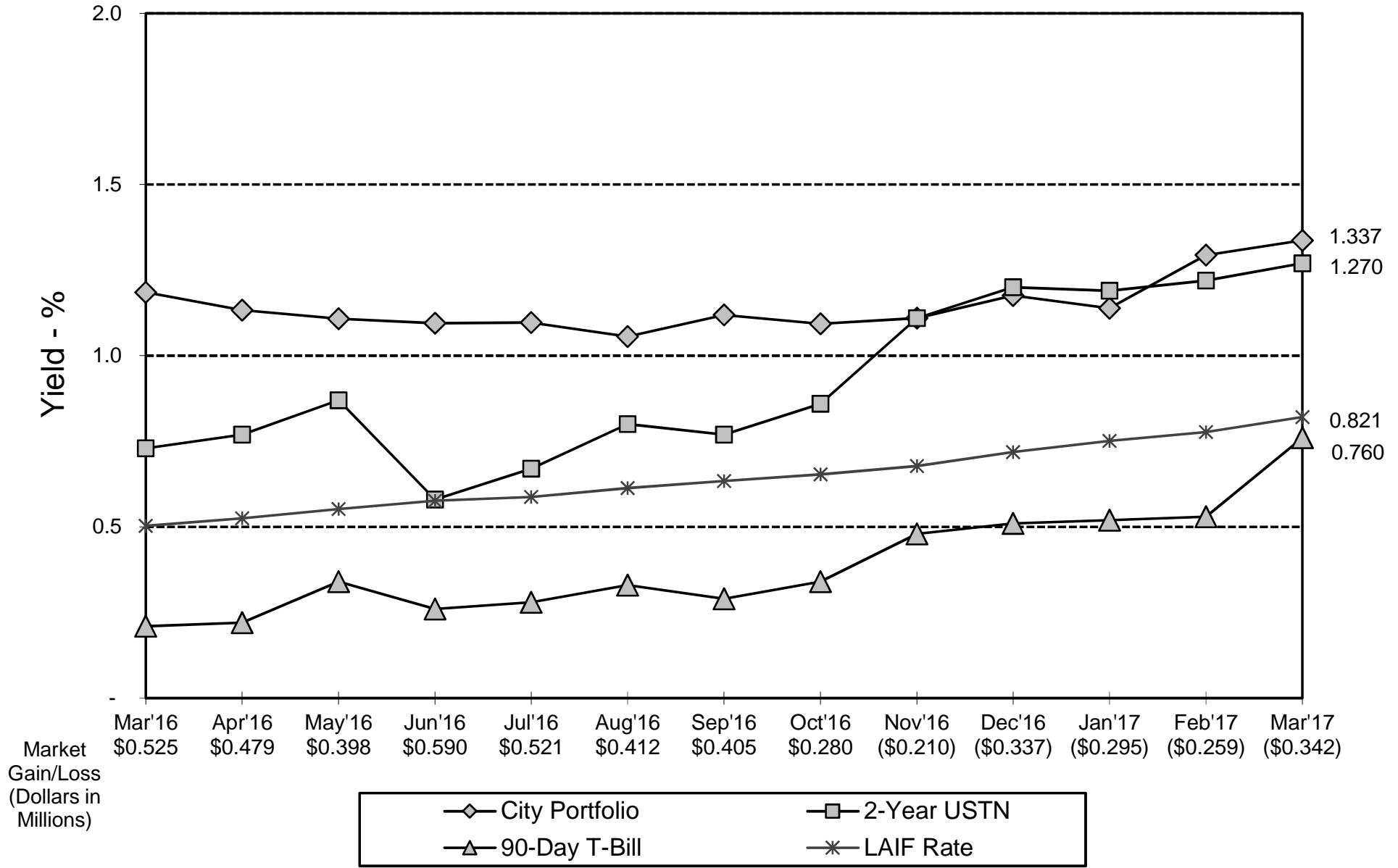
Investment Portfolio

March 31, 2017

DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY RATING		STATED RATE	YIELD AT 365	FACE VALUE	BOOK VALUE	MARKET VALUE	BOOK GAIN/(LOSS)	COMMENTS
			MOODY'S	S & P							
FEDERAL HOME LOAN MTG CORP	02/28/17	02/25/22	Aaa	AA+	2.375	2.375	2,000,000.00	2,000,000.00	1,998,960.00	(1,040.00)	Callable 05/25/17, then qtrly
FEDERAL HOME LOAN MTG CORP	02/27/17	11/27/20	Aaa	AA+	1.850	1.850	2,000,000.00	2,000,000.00	1,998,520.00	(1,480.00)	Callable 11/27/17, once
FEDERAL HOME LOAN MTG CORP	03/16/17	09/16/21	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	1,989,780.00	(10,220.00)	Callable 03/16/18, once
FEDERAL HOME LOAN MTG CORP	10/27/16	10/27/21	Aaa	AA+	1.400	1.657	2,000,000.00	2,000,000.00	1,947,200.00	(52,800.00)	SU 1.4%-3%, Call 04/27/17, then qtrly
FEDERAL HOME LOAN MTG CORP	01/26/17	01/26/22	Aaa	AA+	2.200	2.200	2,000,000.00	2,000,000.00	1,995,620.00	(4,380.00)	Callable 01/26/18, then qtrly
FEDERAL HOME LOAN MTG CORP	03/29/17	03/29/21	Aaa	AA+	2.000	2.000	2,000,000.00	2,000,000.00	1,998,760.00	(1,240.00)	Callable 03/29/18, once
FEDERAL HOME LOAN MTG CORP	11/20/13	09/29/17	Aaa	AA+	1.000	1.030	1,000,000.00	999,853.91	1,000,220.00	366.09	
FEDERAL HOME LOAN MTG CORP	09/29/16	09/29/21	Aaa	AA+	1.250	1.858	2,000,000.00	2,000,000.00	1,969,680.00	(30,320.00)	SU 1.25%-3.5% Call 06/29/17, then qtrly
FEDERAL HOME LOAN MTG CORP	02/17/17	02/17/22	Aaa	AA+	2.250	2.418	2,000,000.00	2,000,000.00	1,998,600.00	(1,400.00)	SU 2.25%-3% Call 05/17/17, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/15/13	10/26/17	Aaa	AA+	0.875	1.062	2,000,000.00	1,997,919.70	1,998,560.00	640.30	
FEDERAL NATL MORTGAGE ASSN	12/11/13	11/27/18	Aaa	AA+	1.625	1.606	2,000,000.00	2,000,600.67	2,012,240.00	11,639.33	
FEDERAL NATL MORTGAGE ASSN	05/26/16	05/26/20	Aaa	AA+	1.375	1.375	2,000,000.00	2,000,000.00	1,968,260.00	(31,740.00)	Callable 05/26/17, once
FEDERAL NATL MORTGAGE ASSN	08/16/16	08/16/21	Aaa	AA+	1.500	1.500	2,000,000.00	2,000,000.00	1,930,260.00	(69,740.00)	Callable 08/16/17, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/27/15	11/27/19	Aaa	AA+	1.125	1.678	2,000,000.00	2,000,000.00	1,998,200.00	(1,800.00)	SU 1.125%-2.250%, Call 11/27/17, once
FEDERAL NATL MORTGAGE ASSN	07/26/16	07/26/19	Aaa	AA+	1.125	1.125	2,000,000.00	2,000,000.00	1,983,160.00	(16,840.00)	Callable 07/26/17, once
FEDERAL NATL MORTGAGE ASSN	09/29/16	09/29/21	Aaa	AA+	1.600	1.600	2,000,000.00	2,000,000.00	1,947,800.00	(52,200.00)	Callable 06/29/17, then qtrly
FEDERAL NATL MORTGAGE ASSN	02/05/13	02/05/18	Aaa	AA+	1.000	1.000	2,000,000.00	2,000,000.00	1,993,700.00	(6,300.00)	Callable 05/05/17, then qtrly
FEDERAL NATL MORTGAGE ASSN	11/20/13	10/26/17	Aaa	AA+	0.875	1.070	2,000,000.00	1,997,828.39	1,998,560.00	731.61	
FEDERAL NATL MORTGAGE ASSN	05/26/16	11/26/19	Aaa	AA+	1.300	1.300	2,000,000.00	2,000,000.00	1,984,340.00	(15,660.00)	Callable 05/26/17, once
Subtotal, Federal Agencies							77,000,000.00	77,001,922.45	76,652,760.00	(349,162.45)	
CORPORATE/MEDIUM TERM NOTES											
BERKSHIRE HATHAWAY INC	11/29/13	02/09/18	Aa2	AA	1.550	1.550	2,000,000.00	2,000,000.00	2,001,440.00	1,440.00	
GENERAL ELECTRIC CAPITAL CORP	01/14/14	01/14/19	A1	AA-	2.300	2.250	2,000,000.00	2,001,678.94	2,027,780.00	26,101.06	
TOYOTA MOTOR CREDIT	11/20/15	07/13/18	Aa3	AA-	1.550	1.408	2,000,000.00	2,003,558.32	2,002,120.00	(1,438.32)	
TOYOTA MOTOR CREDIT	09/15/16	05/20/19	Aa3	AA-	1.400	1.307	2,000,000.00	2,003,888.83	1,984,040.00	(19,848.83)	
WELLS FARGO BANK NA	09/15/16	05/24/19	Aa2	AA-	1.750	1.377	2,000,000.00	2,015,651.46	1,993,680.00	(21,971.46)	
Subtotal, Corporate Securities							10,000,000.00	10,024,777.55	10,009,060.00	(15,717.55)	
SB AIRPORT PROMISSORY NOTE (LT)											
SANTA BARBARA AIRPORT	07/14/09	06/30/29	-	-	3.500	4.195	4,628,681.16	4,628,681.16	4,628,681.16	0.00	
Subtotal, SBA Note							4,628,681.16	4,628,681.16	4,628,681.16	0.00	
CHECKING ACCOUNT											
MUFG UNION BANK NA CHKNG ACCNT	-	-	-	-	0.400	0.400	15,137,993.79	15,137,993.79	15,137,993.79	0.00	
Subtotal, Checking Account							15,137,993.79	15,137,993.79	15,137,993.79	0.00	
TOTALS							168,766,674.95	168,777,858.50	168,436,179.95	(341,678.55)	

Market values have been obtained from the City's safekeeping agent, MUFG Union Bank NA - The Private Bank (UBTPB). UBTPB uses Interactive Data Pricing Service, Bloomberg and DTC.

INVESTMENT YIELDS



**CITY OF SANTA BARBARA
Fiscal Agent Investments
March 31, 2017**

	CASH & CASH EQUIVALENTS Book & Market	Guaranteed Investment Contracts (GIC) Book & Market	STOCKS		BONDS		US GOVT & AGENCIES		TOTALS	
			Book	Market	Book	Market	Book	Market	Book	Market
BOND FUNDS										
<i>RESERVE FUNDS</i>										
2004 RDA - Housing Bonds	1.40	-	-	-	-	-	-	-	1.40	1.40
2002 Municipal Improvement - Refunding COPs	-	-	-	-	-	-	-	-	-	-
2011 Water - Safe Drinking Water State Loan	919,031.64	-	-	-	-	-	-	-	919,031.64	919,031.64
2013 Water - Refunding COPS	353,597.80	428,069.44	-	-	-	-	636,099.18	642,291.20	1,417,766.42	1,423,958.44
2016 Sewer - Revenue Bonds	11,156.77	-	-	-	-	-	-	-	11,156.77	11,156.77
2009 Airport - Revenue Bonds	34,660.48	-	-	-	-	-	3,139,457.55	3,145,809.30	3,174,118.03	3,180,469.78
2014 Waterfront - Refunding Bonds	18,167.96	581,455.74	-	-	-	-	-	-	599,623.70	599,623.70
Subtotal, Reserve Funds	<u>1,336,616.05</u>	<u>1,009,525.18</u>	-	-	-	-	<u>3,775,556.73</u>	<u>3,788,100.50</u>	<u>6,121,697.96</u>	<u>6,134,241.73</u>
<i>PROJECT FUNDS</i>										
2001 RDA Bonds	69,561.06	-	-	-	-	-	-	-	69,561.06	69,561.06
2003 RDA Bonds	7,699,573.11	-	-	-	-	-	-	-	7,699,573.11	7,699,573.11
Subtotal, Project Funds	<u>7,769,134.17</u>	-	-	-	-	-	-	-	<u>7,769,134.17</u>	<u>7,769,134.17</u>
SUBTOTAL BOND FUNDS	9,105,750.22	1,009,525.18	-	-	-	-	3,775,556.73	3,788,100.50	13,890,832.13	13,903,375.90
POLICE/FIRE - SVC RETIREMENT FUND										
Police/Fire Funds	416,221.65	-	-	-	-	-	-	-	416,221.65	416,221.65
	<u>416,221.65</u>	-	-	-	-	-	-	-	<u>416,221.65</u>	<u>416,221.65</u>
TOTAL FISCAL AGENT INVESTMENTS	<u>9,521,971.87</u>	<u>1,009,525.18</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,775,556.73</u>	<u>3,788,100.50</u>	<u>14,307,053.78</u>	<u>14,319,597.55</u>

Notes:

- (1) Cash & cash equivalents include money market funds.
- (2) Market values have been obtained from the following trustees: US Bank and MUFG Union Bank, N.A. - The Private Bank